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**Before the
Federal Communications Commission
Washington, D.C. 20554**

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of)

CC Docket No. 00-217

Application of SBC Communications, Inc.)
Pursuant to Section 271 of the)
Telecommunications Act of 1996)
To Provide In-Region, InterLATA Services)
In Kansas and Oklahoma)
)

**COMMENTS OF CONNECTSOUTH COMMUNICATIONS
REGARDING EX PARTE FILING OF SOUTHWESTERN BELL
IN SECTION 271 APPLICATION OF SBC COMMUNICATIONS, INC.,
IN KANSAS AND OKLAHOMA**

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Pursuant to the Public Notice released on December 28, 2000, in the above captioned proceeding, ConnectSouth Communications, Inc. (ConnectSouth)¹, files its comments regarding the December 27 and 28, 2000, *ex parte* filings of Southwestern Bell Telephone Company (SWBT) wherein SWBT "agrees to a voluntary reduction of some of the TELRIC-based nonrecurring rates in Kansas and the TELRIC-based nonrecurring and recurring rates in Oklahoma."

I. INTRODUCTION

Despite the reductions made by SWBT to certain non-recurring rates in Kansas and Oklahoma, the rates still are barriers to ConnectSouth's ability to provide telecommunications and data services. Rates that SWBT failed to reduce are several thousand percent higher than Texas rates, in some cases, and reduced rates remain over twice as high.

¹ ConnectSouth is the parent company of the certificated telecommunications companies, ConnectSouth Communications of Kansas, Inc., and ConnectSouth Communications of Oklahoma, Inc, that operate in each state. ConnectSouth is a provider of telecommunications and data services via its 14

II. SWBT RATES STILL SIGNIFICANTLY HIGHER THAN TEXAS' COST-BASED RATES

SWBT's reductions fail to provide any substantive relief for ConnectSouth's current operations. ConnectSouth provides a comparison of SWBT's reduced rates in Kansas and Oklahoma and those in place in Texas. See page 4. While SWBT reduces the non-recurring rates for loops and cross connects, the rates still remain over fifty percent higher than Texas'. For ConnectSouth's current xDSL operations, moreover, the reduced rates further fail to address the inordinately high loop conditioning rates which alone are a barrier to the provision of advanced services and which percentage is incalculable since Texas' rates currently are set at zero. With nonrecurring costs for loop conditioning a minimum of over \$300², data LECs (DLECs) must make the difficult business decision of whether to sign up customers with such huge up-front charges. If conditioning costs are several hundred or even over a thousand dollars, the customer may be bypassed giving SWBT a competitive advantage as the only carrier financially capable of serving the customer.

SWBT fails also to address collocation costs that, like conditioning, require large up-front costs and serve to keep facilities-based competitors from entering a market.

But every reduction facilitates ConnectSouth's ability to compete, and ConnectSouth already has requested adoption of the O2A and K2A to get the benefit of the lower rates. ConnectSouth's adoption, however, is not an admission that SWBT's rates are TELRIC-based and/or that ConnectSouth recommends approval of SWBT's entry into the long distance market.

Moreover, SWBT's reduction of certain non-recurring costs in Kansas and Oklahoma and recurring loop rates in Oklahoma effectively serve to prove that SWBT's rates in those states are not cost-based. If, as SWBT claims, the rates initially submitted with its section 271

telecommunications companies certificated in each SWBT and BellSouth state and its internet company. ConnectSouth filed initial comments in this proceeding consistent with the October 2000 Public Notice.

² Removal of a single repeater is \$328.92 in Kansas and \$392.90 in Oklahoma. Load coil removal costs over \$900, and bridged tap removal is over \$500.

application were cost-based, the reductions then are below cost and illegal. If the reductions are cost-based, then reductions are in order for the remaining elements and services.

III. CONCLUSION

SWBT's reductions do not provide significant relief from SWBT's high non-recurring and recurring rates that still are considerably higher than the Texas rates and are a barrier to competition. SWBT's rates must be cost-based, and SWBT's reductions make questionable the validity of SWBT's representation.

ConnectSouth again urges the Federal Communications Commission to reject SWBT's Section 271 applications for inter-region, interLATA service in Kansas and Oklahoma until all rates (i.e., NRC, MRC, and collocation) in Kansas and Oklahoma are cost-based and more consistent with SWBT's Texas rates.

Respectfully Submitted,

Patricia Ana Garcia Escobedo
ConnectSouth Communications, Inc.

SOUTHWESTERN BELL LOOP INSTALL RATES AND COSTS VERSUS SOUTHWESTERN BELL PROPOSED REDUCED RATES

	Current Kansas	SWBT Proposed Revised Kansas NRC	Difference Between Proposed Kansas, Texas	Current Oklahoma	SWBT Proposed Revised Oklahoma NRC	Difference Between Proposed Oklahoma, Texas	Texas
MRC Loop	\$11.86*	Not Addressed	-\$0.28/-2%	\$13.00*	\$12.14	\$0.00/0%	\$12.14*
NRC Loop First	\$70.00	\$23.06	\$8.03 / 53%	\$37.50	\$24.38	\$9.35 / 62%	\$15.03
NRC Loop Additional	\$29.25	\$10.88	\$4.66 / 75%	\$15.65	\$10.17	\$3.95 / 64%	\$6.22
MRC Cross Connect	\$1.47	Not Addressed, i.e No Change	\$0.23 / 19%	\$2.10	Not Addressed, i.e No Change	\$0.86 / 69%	\$1.24
NRC Cross Connect	\$35.83	\$17.29	\$12.57 / 266%	\$62.04	\$30.25	\$25.53 / 541%	\$4.72
NRC Service Order Charge (mechanized)	\$5.00	\$2.35	-\$2.65 / -53%	\$3.33	No Change	-\$1.67 / -33%	\$5.00
NRC Loop Make-Up Inquiry	\$0.10 mech. \$87.64 manual	Not Addressed, i.e No Change	\$0.10/** \$77.64 / 776%	NA \$95.10 manual	Not Addressed, i.e, No Change	\$0.00 / 10% \$85.10 / 851%	\$0.00 mech. \$10.00 manual
NRC Cooperative Acceptance Testing	\$33.51	Not Addressed, i.e No Change	\$0.00/0%	\$33.51	Not Addressed, i.e, No Change	\$0.00/0%	\$33.51
NRC Load Coil Removal First/Additional	\$905.99 \$21.12	Not Addressed, i.e No Change	\$905.99 / ** \$21.12 / **	\$1,079.20 NA	Not Addressed, i.e No Change	\$1,079.20 / **	\$0.00
NRC Repeater Removal First/Additional	\$328.92 \$15.73	Not Addressed, i.e No Change	\$328.92 / ** \$15.73 / **	\$392.90 NA	Not Addressed, i.e, No Change	\$392.90 / **	\$0.00
NRC Bridged Tap Removal First/Additional	\$550.63 \$28.39	Not Addressed, i.e No Change	\$550.63 / ** \$28.39 / **	\$661.65 NA	Not Addressed, i.e No Change	\$661.65 / **	\$0.00
Total MRC – Loop, Cross Connect	\$13.33	\$13.33	-\$0.05 / -3.73%	\$15.10	\$14.24	\$0.86/6%	13.38
Total NRC – Loop NRC, Cross Connect, Service Order charge, Manual Loop Make-up Inquiry, Testing, (Conditioning: one each load coil, repeater, bridged tap)	\$231.98 (Conditioning: \$1785.54)	\$163.85 (Conditioning: \$1785.54)	\$95.59 / 140% (Conditioning: \$1785.54 / **)	\$231.48 (Conditioning: \$2,133.75)	\$185.34 (Conditioning: \$2,133.75)	\$117.08 / 272% (Conditioning: \$2,133.75 / **)	\$68.26 (Conditioning: \$0.00)

- * Rates do not reflect the 25 percent discount to which SBC committed to gain approval of the Ameritech merger but which are not permanent.
- ** Compared to Texas zero rate.